

December 12, 2019

TO: State Directors
Rural Development

ATTN: Rural Housing Program Directors,
Program Loan Cost Coordinators and
Contracting Officers

FROM: Bruce W. Lammers /s/ **Bruce W. Lammers**
Administrator
Rural Housing Service

SUBJECT: Program Loan Cost Expense Funds
FY 2020 Allocations and Requirements
Under the Credit Reform Act of 1990

The Office of Management and Budget (OMB) has approved this year's apportionment of **recoverable** Direct Loan Financing and Liquidating Program Loan Cost Expense (PLCE) funds for Rural Development Rural Housing Service. Your State's annual FY 2020 Direct Loan Financing Account and Liquidating Account allocations are provided in Attachment 1. These allocations are based on your FY 2019 obligations of these funds. Your FY 2020 allocations have been posted in the Financial Management Modernization Initiative (FMMI) funds control system.

All PLCE funds required in the Community Facilities (CF) Program are held in the National Office. Funding for CF PLCEs should be requested by completing and e-mailing a scanned copy of Attachment 2 to Davida White, CF, at Davida.White@usda.gov.

Attachment 1 also lists your State's non-recoverable Salaries and Expense Account ("A" funds) initial allocation for FY 2020 (also posted in FMMI), under the current Continuing Resolution through November 21, 2019. This year's "A" funds are only authorized for Single-Family Housing (SFH) mortgage releases, pre-approved

EXPIRATION DATE:
September 30, 2020

FILING INSTRUCTIONS:
Administrative/Other Programs

Multi-Family Housing (MFH) appraisals, pre-approved MFH cost certifications, SFH and MFH wage match, SFH bankruptcy fees, SFH inventory property inspections and interpreter services. No other uses of non-recoverable PLCE funds are allowed without prior National Office permission. Your State's initial "A" funds provided in Attachment 1 should be conserved for emergency SFH needs only during the Continuing Resolution.

To request specific MFH appraisals and/or cost certifications, contact Tonya Boykin at Tonya.Boykin@usda.gov or (202) 720-8473. For all other emergency needs requiring "A" funds, contact Jennifer Magrath at jennifer.magrath@usda.gov or (314) 457-4141.

We will again need your cooperation in stretching our limited non-recoverable funding this year. Please check the accuracy of the Program Authority Codes (PACs) entered into FMMI for your State's PLCEs. Make sure you use the current PAC Tables (effective May 24, 2017) to verify the recoverability of each charge you submit. The SharePoint web site address for the Tables is:

https://usdagcc.sharepoint.com/sites/RD_TECH/PSS/SitePages/PLC.aspx?RootFolder=%2Fsites%2Frd%5Ftech%2FPSS%2FProgram%20Loan%20Cost%20Info%2FRural%20Development%20PAC%20Codes%20%2D%20UPDATED&FolderCTID=0x012000389A5753E6B80644AEA163B789E7908F&View=%7BCEBD90F0%2D561E%2D4F3C%2D8EAF%2D29953ECBDC04%7D

To get to this site, Ctrl-Click this hyperlink. If you have trouble Ctrl-Clicking this hyperlink, or if you have received this memorandum as a hard copy, go to the RHS Home SharePoint site at the following address:

https://usdagcc.sharepoint.com/sites/rd_hcfp/SitePages/RuralHousingServices.aspx

Then, on the upper right side of the screen, under "Program Support," click "Program Loan Costs" in the drop down menu. The link for "Rural Development PAC Codes - UPDATED" is prominent one that page.

Under provisions of the Credit Reform Act of 1990, each State has three non-transferable accounts to manage. The Direct Loan Financing Account, also referred to as the "R" Account, is used to pay PLCEs that are chargeable to a direct/insured borrower, property account, or subsidy funds in which the loan was obligated in FY 1992 or subsequent years. The Liquidating Account, also referred to as the "L" Account, is used to pay PLCEs that are chargeable to a direct/insured or guaranteed borrower or property account in which the loan was obligated prior to FY 1992. The oldest outstanding loan provides the basis for determining which recoverable ("L" or "R") Account to charge in the case of multiple loans. The non-recoverable Salaries and Expense ("A") Account is to be used to pay non-recoverable PLCEs that are not

chargeable to a borrower, property account, or subsidy funds for all Housing and Community Facility programs.

Program officials are the only staff authorized to certify PLCE funds availability. Administrative officials (Contract Program Managers, Contract Specialists, Budget Analysts, etc.) are not authorized to certify PLCE funds availability. The Program Loan Cost Coordinator is responsible for monitoring obligations/disbursements of PLCE allocations by account to avoid violation of the Anti-Deficiency Act. Specifically, your State Office Housing Program section is responsible for determining and documenting how

these funds will best be used to meet your program goals and objectives. It is also accountable for the proper use of these funds. State Offices are required to issue a State Administrative Notice identifying a methodology for controlling their funds, naming the program official designated to certify PLCE funds availability, and, if these funds are sub-allocated, distribute them by program and account. **A State should not request additional funding in any of its three PLCE accounts until it has obligated at least 90 percent of its current account funds.**

If field staff have any questions concerning this memorandum, they should contact their State Office. If State Office officials have questions concerning this memorandum, they should contact Jennifer Magrath, Business Center, at (314) 457-4141.

Attachments (2)

**PROGRAM LOAN COST EXPENSE FUNDS
Housing Programs (RHIF) - FY 2020**

State/Territory	Allocations		
	Salaries & Expense Account	Direct Loan Financing Account	Liquidating Account
Alabama	\$857	\$49,484	\$179,982
Alaska	\$244	\$98,049	\$1
Arizona	\$488	\$170,338	\$50,785
Arkansas	\$693	\$44,766	\$8,365
California	\$992	\$322,168	\$33,628
Colorado	\$365	\$363,957	\$164,150
Delaware	\$534	\$35,628	\$167,650
Florida	\$978	\$316,865	\$199,242
Georgia	\$1,037	\$138,491	\$1
Hawaii	\$439	\$61,717	\$1
Idaho	\$314	\$80,610	\$1
Illinois	\$784	\$612,747	\$207,395
Indiana	\$686	\$534,102	\$13,175
Iowa	\$534	\$38,352	\$13,841
Kansas	\$367	\$202,517	\$197,931
Kentucky	\$1,029	\$633,337	\$172,658
Louisiana	\$750	\$366,930	\$151,223
Maine	\$520	\$420,975	\$392,049
Massachusetts	\$627	\$428,001	\$1
Michigan	\$879	\$370,391	\$245,226
Minnesota	\$491	\$55,374	\$38,178
Mississippi	\$1,249	\$107,626	\$379,869
Missouri	\$757	\$132,787	\$41,176
Montana	\$269	\$69,246	\$2,238
Nebraska	\$280	\$14,664	\$1
Nevada	\$178	\$29,988	\$1
New Hampshire	\$293	\$14,371	\$50,191
New Jersey	\$282	\$14,251	\$9,411
New Mexico	\$384	\$26,412	\$1
New York	\$725	\$100,439	\$61,068
North Carolina	\$1,406	\$898,941	\$503,794
North Dakota	\$202	\$13,346	\$1
Ohio	\$839	\$283,800	\$26,539
Oklahoma	\$508	\$310,404	\$163,559
Oregon	\$380	\$338,347	\$157,809

Pennsylvania		\$913	\$58,778	\$193,516
Puerto Rico		\$802	\$317,974	\$535,066
South Carolina		\$834	\$52,909	\$144,237
South Dakota		\$260	\$31,508	\$1
Tennessee		\$926	\$91,926	\$327,766
Texas		\$1,704	\$145,913	\$48,631
Utah		\$312	\$160,778	\$8,574
Vermont		\$276	\$139,561	\$56,230
Virgin Islands		\$103	\$4,790	\$16,730
Virginia		\$761	\$84,102	\$30,904
Washington		\$502	\$121,071	\$1
West Virginia		\$511	\$35,057	\$3,229
Wisconsin		\$547	\$41,253	\$3,973
Wyoming		\$189	\$14,959	\$1
Total		\$30,000	\$9,000,000	\$5,000,000

**FISCAL YEAR PROGRAM LOAN COST EXPENSE
RURAL HOUSING SERVICE - COMMUNITY PROGRAMS**

State: _____
Contact Person: _____
Telephone Number: _____

Account: _____
Fax No.: _____

Program Authority Code (PAC):
_____ (Loan Program) _____ (Program Activity)
_____ (General Purpose) _____ (Detail Description)

Program Authority Required: _____ (Indicate Yes/No)
Recoverable _____ Non-recoverable _____

Description of Request:

CONTRACTUAL

NONCONTRACTUAL

Inspections _____
Appraisals _____
Analysis and Audits _____
Information Services _____
Other Services _____
Maintenance & Management _____
Repair/Improvement _____
Exclusive Broker _____
Open Listing Broker _____
Environmental _____
Other Field Contracting _____
Credit Bureau Reports _____
TOTAL _____

Advertising _____
Real Estate Taxes _____
Insurance _____
(including flood) _____
Other (Explain) _____
Utilities * _____
TOTAL _____

* Attach copies of vouchers and/or documents.

State Program Director

Concurrence: _____ Date: _____
Associate Administrator/Deputy Administrator

TO BE COMPLETED BY NATIONAL OFFICE:

Account Balance after this obligation: _____
Initials: _____
Date: _____